

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Health	(2) MEETING DATE 2/25/2014	(3) CONTACT/PHONE Nancy Rosen / 781-5518	
(4) SUBJECT Request to approve a FY 2014-17 three-year renewal agreement (Clerk's File) with the State Department of Health Care Services (DHCS) in an amount not to exceed \$5,400,000 for School-Based Medi-Cal Administrative Activities (SMAA) to access federal funding on behalf of San Luis Coastal, Lucia Mar, and Templeton Unified School Districts. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1) Approve and direct the Chairperson to sign a FY 2014-17 three-year renewal agreement with DHCS in an amount not to exceed \$5,400,000 for the SMAA program to access federal funding on behalf of San Luis Coastal, Lucia Mar, and Templeton Unified School Districts participating in the Medi-Cal Administrative Activities program. 2) Authorize the Health Agency Director to sign any amendments to the recommended agreement with DHCS related to the SMAA program that does not increase the level of General Fund Support.			
(6) FUNDING SOURCE(S) Federal	(7) CURRENT YEAR FINANCIAL IMPACT \$1,450,000.00	(8) ANNUAL FINANCIAL IMPACT \$1,450,000.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>July 10, 2010</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Michael Stevens, Deputy Health Agency Director

DATE: February 25, 2014

SUBJECT: Request to approve a FY 2014-17 three-year renewal agreement (Clerk's File) with the State Department of Health Care Services (DHCS) in an amount not to exceed \$5,400,000 for School-Based Medi-Cal Administrative Activities (SMAA) to access federal funding on behalf of San Luis Coastal, Lucia Mar, and Templeton Unified School Districts. All Districts.

RECOMMENDATION

It is recommended that the Board:

- 1) Approve and direct the Chairperson to sign a FY 2014-17 three-year renewal agreement with DHCS in an amount not to exceed \$5,400,000 for the SMAA program to access federal funding on behalf of San Luis Coastal, Lucia Mar, and Templeton Unified School Districts participating in the Medi-Cal Administrative Activities program.
- 2) Authorize the Health Agency Director to sign any amendments to the recommended agreement with DHCS related to the SMAA program that does not increase the level of General Fund Support.

DISCUSSION

DHCS contracts with the County of San Luis Obispo for School-Based Medi-Cal Activities. The SMAA program reimburses school districts for the federal share of costs that directly support efforts to identify and enroll eligible into the Medi-Cal program and assist with access to Medi-Cal covered services. The Public Health Department is designated by DHCS to be the pass-through entity for these funds. The administrative activities include:

- Referring students to medical services covered under Medi-Cal;
- Facilitating the Medi-Cal application;
- Arranging and providing transportation to Medi-Cal covered services;
- Contracting for Medi-Cal services;
- Medi-Cal program planning and policy development; and
- Medi-Cal administrative activities coordination and claims administration.

Allowable costs for SMAA include the salaries and benefits of the staff performing the activities and applicable operating expenses. School District employees record their time worked on SMAA activities through a time survey. SMAA claims are based on three factors: 1) a time study, 2) the Medi-Cal eligibility rate of the District's entire student population, and 3) the cost of providing outreach activities for Medi-Cal. Approved costs are reimbursed at fifty percent (50%). Public Health receives a 5% administrative fee for SMAA claims and coordination oversight. Public Health staff ensures all State and Federal requirements are met.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the renewal agreement contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The DHCS agreement covers a three-year period with funding not to exceed \$5.4 million (or \$1.8 million per year for three years). The FY 2013-14 budget includes \$1,450,000 in SMAA reimbursement to the three school districts. While the agreement set by the State is set at \$1.8 million per year, the Public Health Department only budgets in total \$1,450,000 based on historical SMAA claims submitted by the three school districts. In the event the school districts were in total to claim more than the budgeted amount, the Department would come back to the Board requesting additional appropriations.

No County match or General Fund dollars are required for the attached agreement. SMAA is a federal program administered by the DHCS. The federal funds received under this program are passed through to the participating school districts. Approval of the renewal agreement will have no effect on the level of General Fund support required by the Public Health Department.

The Centers for Medicare and Medicaid Services (CMS) completed a financial management review of school-based administrative expenditures at the State level. CMS determined that the claims did not comply with the Medi-Cal administrative claiming plan for school-based services. Therefore, a deferral/disallowance was ordered on all school-based administrative invoices and no reimbursement payments have been made to the schools. The DHCS and CMS have integrated and are working together to implement the required changes. It is anticipated that schools will be released from the deferral and payments will continue by April 2014.

RESULTS

Approval of the agreement will allow Public Health to continue to access federal funding for SMAA on behalf of San Luis Coastal, Lucia Mar, and Templeton School Districts. The funds allow schools to provide increased access to Medi-Cal services in the community that ultimately leads to a healthier population.

ATTACHMENTS

1. Clerk's File Statement for the FY 2014-17 renewal agreement with the State Department of Health Care Services.